



Department of Energy
Richland Operations Office
P.O. Box 550
Richland, Washington 99352

17-HAB-0017

MAR 13 2017

Mr. Steve Hudson, Chair
Hanford Advisory Board
ProSidian Hanford Project Office
713 Jadwin Ave., Suite 4
Richland, Washington 99352

Dear Mr. Hudson:

HANFORD ADVISORY BOARD (HAB) ADVICE #292, DECLINING BOARD BUDGET

Thank you for your December 8, 2016, advice pertaining to the HAB budget. The U.S. Department of Energy (DOE) Richland Operations Office (RL) accepts the advice. RL has received level funding for several years for project baseline summary RL-100 activities, which includes funding for the HAB, grants to Washington State and Oregon State, Payment-in-Lieu-of-Taxes, payments to regulators, and other programs. Costs for many of these activities have increased.

Once RL has a final appropriation for RL-100, we will evaluate it, including your request for an increase to \$590 million, with out-year inflation built in to future-year budgets, and make funding allocations. We expect we will need to continue to look for ways to mitigate impacts from an imbalance of funding and requests.

In early January, after a competitive-bidding process, DOE awarded a firm-fixed-price contract for HAB management and facilitation services, instead of the time and materials type of contract previously in place. The new contract has a one-year base period, with four one-year option periods. Something different about this contract is that it sets a single price for the work, regardless of how much time and expense the consulting company incurs. In contrast to the former time and materials contract that fluctuated in cost, the firm-fixed contract will provide DOE and the HAB with more predictable costs for facilitation, which should help the agency and HAB leadership as they budget for activities.

Your advice recommends the HAB hold a minimum of five full Board meetings per year, including at least one meeting outside of the Tri-Cities, plus sub-committee meetings as needed. The new facilitation contract allows for holding up to five Board meetings, with one out-of-town meeting, although the HAB's work plan, developed in alignment with ongoing cleanup activities, will determine the need and frequency of meetings.

We appreciate the HAB's work and the nearly 300 pieces of advice it has offered. We believe the HAB continues to positively contribute to developing consensus policy recommendations aimed at improving the Tri-Party Agreement agency leader's cleanup decisions. We look forward to continuing to hear the HAB's values and recommendations.

Mr. Steve Hudson
17-HAB-0017

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If you have any questions, please contact Kristen Holmes at (509) 376-5803 or Kristen.l.Holmes@rl.doe.gov.

Sincerely,



Doug S. Shoop
Manager

OCE:KPS

cc:

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